



DELBERT HOSEMAN
Secretary of State

January 10, 2012

Re: Region's Morgan Keegan Bond Fund Claims Process

Dear Investor:

On June 22, 2011, State and Federal securities regulatory authorities announced a settlement and entry of consent orders and administrative orders with Morgan Keegan & Company (MKC) and Morgan Asset Management (MAM). These actions are a direct result of intensive multi-state, federal and self-regulatory organization investigations. The investigations centered around seven proprietary bond funds sold by Morgan Keegan broker-dealer agents to over 30,000 account holders. Those seven bond funds lost most of their value from March 31, 2007, to March 31, 2008.

As outlined in the administrative orders,¹ MKC and MAM were ordered to pay a total of \$200 million. Of this, \$100 million will go to establish an "SEC Fair Fund"² and \$100 million will go to establish a "States' Fund"³ both for the benefit of investors. Costs for establishing, managing and disbursing these funds shall be paid separately by MKC and MAM and will not be paid out of the \$200 million in the funds.

During the course of the joint investigation, documents provided by MKC and MAM were analyzed by certified public accountants to determine the damages to the individual investor

¹ For a Copy of Mississippi's order, please go to

http://www.sos.ms.gov/links/sec_char/final_orders_and_agreements/securities/Morgan%20Keegan%20-%20Administrative%20Consent%20Order%20-%20S-08-0050.pdf

² SEC Fair Fund is a fund established by the U.S. Securities and Exchange Commission to distribute disgorgements and penalties to investors.

³ State's Fund is a fund established by the State's Joint Task Force to distribute disgorgements and penalties to the individual investors.

accounts. Damages were calculated based on the amount invested in the seven bond funds, less (i) withdrawals, (ii) recovered amounts (proceeds of liquidations) during the period of January 1, 2007, to March 31, 2008, and (iii) the residual value left in the funds as of March 31, 2008.


Information made available to the Mississippi Secretary of State's Office Securities Division indicates that you are a Mississippi investor who held accounts in one or more of the seven Morgan Keegan bond funds during the specified time period. Investors who held interests in any of the seven bond funds during this specific time period will be mailed a Notice and Claim form from the fund administrator. The state regulatory authorities have appointed A.B. Data Limited (A.B. Data) as their fund administrator. Representatives for A.B. Data are currently planning the claims and distribution process.

Given that there are two settlements, you will receive at least one, if not two, notices regarding the settlements. It will be mailed to you directly or, once available, you will be able to request a copy by mail or download the claim form from the A.B. Data website. This Notice and Claim form mailed to you from A.B. Data will outline the estimated damages incurred by your account. Investors desiring to participate in the claims process should do so as quickly as possible.

Nothing in the settlement requires you to give up any of your rights in arbitration or any other legal rights you are entitled to enforce on your own behalf. Investors are **not** signing releases and the filing of a claim has **no** effect on any other action you may have or decide is necessary.

At this time no additional information is available, but periodic updates will be posted to the website, www.abdataclassaction.com. In addition, live operators at A.B. Data will remain available for the duration of the claims process and can be reached at 888-208-9083, during normal business hours (central time zone). Written inquiries concerning the State's fund should be directed to the states' fund administrator at: Morgan Keegan Settlement, Claims Administrator, c/o A.B. Data Ltd., PO Box 170500, Milwaukee, WI 53217-8091.

Sincerely,

A handwritten signature in blue ink that reads "Delbert Hosemann". The signature is fluid and cursive, with the first name "Delbert" and last name "Hosemann" clearly distinguishable.

Delbert Hosemann
Secretary of State